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IN THE UNITED STATES DISTRICT COURT FOR THE

DISTRICT OF ALASKA

UNITED STATES OF AMERICA,)
Plaintiff,)
v.)
THOMAS R. MUNGLE and MARLENE C.)
MUNGLE ; DOWN RIGGER CORP.;)
SIERRA VIEW HOLDING, INC.;)
ROBERT and JOAN DIDIER;)
INVERSIONES QUIZARRA, S.A.;)
DAVID ALLISON; and)
HOWARD JAEGER,)
Defendants.)

)

The United States of America, by and through its undersigned counsel and pursuant to the Court's order, hereby submits this report on the status of this litigation as of June 12, 2006:

1. As noted in the United States' prior status reports, two of the three parcels of real property at issue in this action have been foreclosed upon and sold. The remaining parcel, the personal residence of defendants Thomas and Marlene Mungle ("taxpayers"), has not yet been foreclosed upon or sold.

2. The Department of Justice and Thomas and Marlene Mungle have obtained and agreed upon an updated payoff figure for Thomas and Marlene Mungle's total outstanding tax liabilities.

3. The taxpayers and the United States filed a stipulation regarding title in the property, which the Court has approved.

4. The taxpayers are currently pursuing refinancing of their property to obtain funds to pay the liability in full. It is the United States' understanding that all preliminary appraisals and repairs necessary to obtain refinancing have been completed, and the taxpayers' counsel is monitoring the progress of the refinancing. The taxpayers expect the loan application to close within thirty days. Once the closing is completed, the parties will file a further stipulation regarding dates for payment, as well as any further issues apparent at the time of the stipulation. Once all payments have been made, satisfying the tax liabilities in full, the United States and the taxpayers will file a stipulation for dismissal of this action.

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5. Given the delays with regard to the refinancing, the United States has requested payment from the taxpayers by July 1, 2006. If payment has not been made by that time, the United States will proceed with foreclosure on the remaining property at issue.

DATED this 12th day of June, 2006.

Respectfully submitted,

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s/ John B. Snyder, III
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CERTIFICATE OF SERVICE

I declare under penalty of perjury that a true and correct copy of the foregoing was sent to the following parties on June 12, 2006:

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